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**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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August 17, 2006

TO: All Chief Procurement Officers
All Executive Departments

FROM:

Aaron S. Fujioka
Administrator

SUBJECT: Change No. 1
SPO Price List No. 07-06 (Oahu Only)
BULK DELIVERIES FOR GASOLINE AND DIESEL FUEL-OAHU
Expires June 30, 2007
IFB-06-105-O

The following changes have been made to the price list:

1. Price adjustment made effective August 15, 2006 for gasoline and diesel fuels for locations 1 through 19 supplied by Garlow Petroleum, Inc.
2. In 2001, the U.S. EPA established a federal program calling for the lowering of the maximum sulfur level of highway diesel fuel to 15 parts per million. This new lower sulfur diesel fuel is called Ultra Low Sulfur Diesel (ULSD). By October 15, 2006 in accordance with Federal and State Regulations, Ultra Low Sulfur Diesel (ULSD) will replace Low Sulfur Diesel Fuel for Highway use only.

The current price list incorporating Change No. 1 is available on the SPO website: www.spo.hawaii.gov; click on SPO Price List/Vendor List at the main menu.

Should you have any questions Kevin Takaesu can be contacted at (808) 586-0568, fax 586-0570, or kevin.s.takaesu@hawaii.gov.

STATE OF HAWAII
STATE PROCUREMENT OFFICE

SPO Price List No. 07-06 (Oahu Only)
Replaces SPO Price List 04-34

BULK DELIVERIES FOR GASOLINE AND DIESEL FUEL-OAHU
(IFB-06-105-O)
July 1, 2006 to June 30, 2007

STATE'S COMMITMENT. Agencies of the following purchasing jurisdictions are required to purchase from this price list:

1. Executive Branch
2. University of Hawaii

A purchasing jurisdiction may elect not to extend its commitment to this contract beyond the initial contract term. Further, a purchasing jurisdiction not participating in the contract may, at the earliest, commit to the contract at the inception of a contract extension period, if any.

EXCEPTION TO THE PRICE LIST. When the use of the price list is not suited to an agency's purpose, the appropriate purchasing jurisdiction may grant an exception to purchase outside of the price list. For this purpose, Executive Branch agencies shall use SPO Form-5, "SPO Price List Exemption", available on the SPO Website, www.spo.hawaii.gov; click on "Forms for State Agencies" in the Procurement of Goods, Services, & Construction - Chapter 103D, HRS, menu.

POINT OF CONTACT. Questions regarding the products listed herein should be directed to the respective vendor.

Procurement questions or complaints may be directed as follows:

<u>Jurisdiction</u>	<u>Name</u>	<u>Telephone</u>	<u>FAX</u>	<u>E-mail</u>
Executive	Kevin Takaesu	586-0568	586-0570	kevin.s.takaesu
U.H.	Gwen Won	956-8687	956-2093	gwon@hawaii.edu

VENDOR CODE for annotation on purchase orders is obtainable from the "Alphabetical Vendor Edit Table Report available at your department's fiscal office. **Agencies are cautioned that the remittance address on an invoice may be different from the address of the vendor code annotated on the purchase order.** Therefore, make sure when processing an invoice for payment that the correct vendor code is used.

VENDOR INFORMATION:

<u>Vendor</u>	<u>Purchase Order Address</u>	<u>Remittance Address</u>
Garlow Petroleum, Inc.	707 Kakoi Street Honolulu, Hawaii 96819	P.O. Box 29967 Honolulu, HI 96820-2367

Telephone: (808) 836-1957
Facsimile: (808) 833-5825

SPO PRICE LIST NO. 07-06
7/01/06 TO 6/30/07

VENDOR CODE for annotation on purchase orders is obtainable from the "Alphabetical Vendor Edit Table Report available at your department's fiscal office. **Agencies are cautioned that the remittance address on an invoice may be different from the address of the vendor code annotated on the purchase order.** Therefore, make sure when processing an invoice for payment that the correct vendor code is used.

PURCHASE ORDERS shall be issued on an as needed basis during the price list period. It is the responsibility of each agency to insure timely issuance of purchase orders. Vendor is not obliged to accept any order received after the price list expiration date; however, shall fill timely orders for which delivery may extend beyond the expiration date. Do not issue purchase orders specifying delivery after the price list expiration date.

"SPO PL No. 07-06" must be typed on purchase orders issued against this price list.

BASE UNIT PRICES include delivery to destination and all other costs incurred, except the following applicable taxes:

1. Hawaii General Excise Tax (GET), not to exceed the current rate of 4% and computed on the base unit price only, unless waived by State law; and
2. State and County fuel taxes (Fuel Taxes) as applicable to the appropriate County; and
3. Federal LUST Tax; and
4. Hawaii Environmental Response Tax; and
5. Federal Oil Spillage Tax.

The vendor will list on the invoice the above taxes as separate line items to the base unit prices.

The State of Hawaii is exempt from the FET on gasoline and diesel fuel. The Contractor shall submit FET exemption certificates for execution by the State and all participating agencies. **Offerors shall exempt the State from FET for gasoline and diesel. Any refunds due the State shall be the responsibility of the Contractor.**

Base unit prices are subject to adjustments when submitted on a timely basis along with written documentation supporting any price adjustment. Upon receipt of concurrence from SPO, the Contractor shall submit written notification of the price change to all agencies with delivery locations listed herein at no expense to the State.

DIESEL FUEL #2 IN 55-GALLON DRUM is not included in this price list. If your requirements fall under "small purchase", follow the procedures established by your Chief Procurement Officer. Executive Branch agencies are to follow the procedures outlined in Procurement Circular No. 2003-01, Amendment 2, dated December 2, 2005.

FEDERAL EXCISE TAX (FET). Please note the following:

1. All purchases from this price list are exempt from the (FET). This tax will not appear on the invoice.

2. Since diesel fuel #2 in 55-gallon drums is not part of this price list, you may need to separately apply for FET exemption **if you are purchasing it in ultra low sulfur form for highway use**. It is recommended that agencies request a FET exemption form from the vendor and return the completed form to the vendor for his files.
3. If you are purchasing diesel fuel #2 (55 gallon drum) **in high sulfur form for off-highway use**, the FET is not applicable; therefore, there is no exemption to apply for.

STATE AND COUNTY FUEL TAXES. Please note the following:

For ultra low sulfur highway use diesel fuel #2 USED FOR NON-HIGHWAY PURPOSES such as boilers, generators, compressors and some motor vehicles:

1. The State and County fuel taxes may be reduced to \$.01 per gallon, if the purchase is eligible for Diesel Oil and Liquefied Petroleum Gas Used Off Public Highways exemption (Form M-38).
2. Eligibility requirements should be discussed with the vendor prior to purchasing the fuel. The M-38 exemption certificate, which is issued on a calendar year basis (January to December), must be submitted to the respective District Tax Office by the vendor.

E-10 UNLEADED GASOLINE IN HAWAII

Gasoline shall meet the specifications for automotive spark ignition engine fuel as approved by the Measurement Standards Branch of the Hawaii State Department of Agriculture. Currently, Hawaii's gasoline must be E-10 Unleaded which is gasoline containing 10% ethanol. Ethanol, a renewable fuel, is a normal component of today's gasoline.

High Sulfur (Off-Highway) and Ultra Low Sulfur (On-Highway) Diesel 2 shall meet the specifications for Diesel fuel oils as approved by the Measurement Standards Branch of the Hawaii State Department of Agriculture.

The sale, distribution and transportation of petroleum products specified herein shall comply with all current Federal, State and County laws and ordinances rules and regulations or as revised thereafter.

DELIVERIES

Contractor will be required to deliver all items outstanding on purchase orders received during the term of contract for delivery by the end of contract period.

Deliveries of gasoline and diesel shall be coordinated between the agencies and the Contractor. Agencies shall provide the Contractor with a twenty-four (24) hour notice prior to all bulk deliveries (storage tanks) of gasoline or diesel, unless otherwise agreed upon. Contractor may coordinate with each agency a delivery schedule within the specified delivery days satisfactory to both parties.

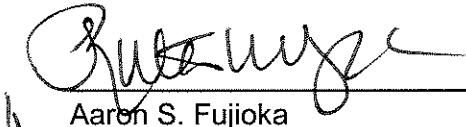
If a Contractor is unable to deliver products under contract, it shall be the Contractor's responsibility to obtain prior approval of the ordering agency to deliver an acceptable substitute at the contract price quoted. It shall be the Contractor's responsibility to obtain such substitute.

LIQUIDATED DAMAGES

In the event the Contractor fails to deliver gasoline/and or diesel within the specified time and should such failure result in the storage tank becoming empty, the State will thereby be damaged and the amount of said damages shall be fixed at the sum of twenty-five and no/100 dollars (\$25.00) for each hour or fraction of an hour the storage tank remains empty unless prevented or hindered by any act of God, fire, riot labor disturbances, accidents, war, acts of any government (whether foreign or domestic, federal, state, county or municipal), partial or total interruption and loss or shortage of transportation facilities or supplies, shortage of items deliverable due to shortage in supply or available crude oil, and curtailment of business or by other causes beyond the control of the Contractor, whether similar to the causes as specified herein or not.

VENDOR AND PRODUCT EVALUATION form, SPO-12, revised 9/30/05, is made available to the agencies for the purpose of addressing concerns on this price list. The form can be accessed from the SPO website: www.spo.hawaii.gov. "Click" on Forms for State Agencies in the Procurement of Goods, Services, & Construction - Chapter 103D, HRS menu.

PRICE LIST AVAILABLE ON THE INTERNET. The price list is available at the SPO website: www.spo.hawaii.gov. "Click" on SPO Price List/Vendor List at the main menu.



Aaron S. Fujioka
Procurement Officer

Item No.	Agency and Location Of Storage Tank		Unit Bid Price/Gal.
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State of Hawaii

1. **Dept. of Accounting and General Services**

Automotive Mgt. Division
869-A Punchbowl Street, Honolulu
Tank Capacity: 6,000 gals.

GAS, UNLD, REG-87 \$ 2.593

2. Central Services Division
729 Kakoi Street, Honolulu
Tank Capacity: 6,000 gals.

GAS, UNLD, REG-87 \$ 2.593

3. Stadium Authority
99-500 Salt lake Blvd., Honolulu
Tank Capacity: 500 gals.

GAS, UNLD, REG-87 \$ 2.603

4. **Dept. of Public Safety**

Halawa Correctional Services
99-902 Moanalua Road, Aiea
Tank Capacity: 1,000 gals.
Tank Capacity: 10,000 gals.

GAS, UNLD, REG-87 \$ 2.603
DIESEL FUEL (Off-Hwy) \$ 2.325

5. OCCC
2199 Kamehameha Highway, Honolulu
Tank Capacity: 1 @ 300 gals.
1 @ 1,000 gals.

DIESEL FUEL (Off-Hwy) \$ 2.325

6. Waiawa Correctional Facility
94-560 Kamehameha Highway, Waipahu
Tank Capacity: 1,200 gals.

DIESEL FUEL (Off-Hwy) \$ 2.355

Dept. of Transportation

7. Airports Division
2919 Aolele Street, Honolulu
Tank Capacity: 5,000 gals.
Tank Capacity: 2,500 gals.

GAS, UNLD, REG-87 \$ 2.593
DIESEL FUEL (Hwy) \$ 2.335

8. Airport Division
Dillingham Field
68-760 Farrington Hwy, Waipahu
Tank Capacity: 500 gals.
Tank Capacity: 500 gals.

GAS, UNLD, REG-87 \$ 2.653
DIESEL FUEL (Off-Hwy) \$ 2.375

Item No.	Agency and Location Of Storage Tank		Unit Bid Price/Gal.
<u>Dept. of Transportation (continued)</u>			
9.	Airport Division Kalaeloa Airport Fire Station Building 1755, Midway Ave, Kapolei Tank Capacity: 1,000 gals. Tank Capacity: 1,000 gals.	GAS, UNLD, REG-87 DIESEL FUEL (Hwy)	\$ 2.663 \$ 2.255
10.	Harbors Division 48 Sand Island Road, Honolulu Tank Capacity: 2,300 gals. 2,600 gals. Tank Capacity: 2,300 gals.	GAS, UNLD, REG-87 DIESEL FUEL (Hwy)	\$ 2.623 \$ 2.255
11.	Highways Division 727 Kakoi Street, Honolulu Tank Capacity: 8,000 gals. Tank Capacity: 8,000 gals.	GAS, UNLD, REG-87 DIESEL FUEL (Hwy)	\$ 2.623 \$ 2.235
<u>Dept. of Health</u>			
12.	Hawaii State Hospital 45-710 Keahalea Road, Kaneohe Tank Capacity: 4,000 gals.	DIESEL FUEL (Off-Hwy)	\$ 2.245
13.	Leahi Hospital 3875 Kilauea Ave, Honolulu Tank Capacity: 3,000 gals.	DIESEL FUEL (Off-Hwy)	\$ 2.225
<u>University of Hawaii</u>			
14.	Transportation Services 2027 East West Road, Honolulu Tank Capacity: 4,000 gals. Tank Capacity: 1,000 gals.	GAS, UNLD, REG-87 DIESEL FUEL (Hwy)	\$ 2.633 \$ 2.255
15.	Poamono Experiment Station 65-602 Kaukonohua, Waialua Tank Capacity: 750 gals. Tank Capacity: 750 gals.	GAS, UNLD, REG-87 DIESEL FUEL (Off-Hwy)	\$ 2.653 \$ 2.275
16.	Waimanalo Experiment Station 41-698 Ahiki Street, Waimanalo Tank Capacity: 700 gals. Tank Capacity: 10,400 gals.	GAS, UNLD, REG-87 DIESEL FUEL (Off-Hwy)	\$ 2.683 \$ 2.275

<u>Item No.</u>	<u>Agency and Location Of Storage Tank</u>	<u>Unit Bid Price/Gal.</u>
17.	Waialeale Animal Science Facility 58-160 Kamehameha Highway, Haleiwa Tank Capacity: 500 gals. Tank Capacity: 500 gals.	GAS, UNLD, REG-87 \$ 2.653 DIESEL FUEL (Hwy) \$ 2.405
18.	Cancer Research Center 1286 Lauhala Street, Honolulu Tank Capacity: 564 gals.	DIESEL FUEL (Off-Hwy) \$ 2.375
19.	John Burns School of Medicine 651 Ilalo Street, Honolulu Tank Capacity: 10,400 gals.	DIESEL FUEL (Off-Hwy) \$ 2.325